



# COMMISSION NEWS

**ARIZONA CORPORATION COMMISSION, 1200 W. WASHINGTON, PHOENIX, AZ 85007**

TO: EDITORS, NEWS DIRECTORS  
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## **SALE OF UNREGISTERED SECURITIES CONTINUES TO PLAGUE ARIZONA**

PHOENIX – The Arizona Corporation Commission issued multiple orders requiring the payment of over \$1.3 million in restitution for investors and \$175,000 in penalties in connection with three cases involving the sale of unregistered securities. In 2006 alone, the Commission sanctioned almost 50 individuals and companies for offering securities that were not registered with the Commission's Securities Division.

### **William Melvin Hawkins et al.**

A 58-year-old Scottsdale securities salesman, William Melvin Hawkins and his company, Meta Funding, LLC, agreed to a Commission order requiring the payment of \$25,000 in penalties and restitution of \$1.28 million for selling unregistered securities. The Commission revoked Hawkins' registration as an Arizona securities salesman.

The Commission found that Hawkins pooled approximately \$1.83 million from at least 22 investors into investment agreements with Meta Funding. Meta Funding had an arrangement with Mathon Management Company, LLC to be a lender for Mathon's investment program, which provided bridge loans to small and medium-sized companies.

The Mathon investment program has been the subject of previous Commission orders. In June 2006, the Commission approved the framework of a \$76.4 million civil settlement with Mathon Management Company and three other defendants. Part of the settlement included a court-appointed conservator to retrieve assets and reimburse investors.

Hawkins has already reimbursed about \$466,000 of principal and interest to fourteen of the Meta Funding investors. Having personally invested \$370,000 in Mathon Management Company, Hawkins agreed to

defer any portion of his reimbursement from the Mathon conservator until all of the remaining Meta Funding investors are paid in full.

Hawkins also agreed not to apply as an Arizona securities salesman or investment adviser representative until he has made all payment obligations outlined in the Commission's order.

### **David J. Leyshon**

The Commission issued a default order against 47-year-old securities salesman, David J. Leyshon of Peoria after he failed to answer charges of securities fraud. The Commission revoked his Arizona registration as a securities salesman and ordered him to pay restitution of \$288,000 and a \$100,000 fine.

Leyshon was a registered securities salesman with Synergy Investment Group, LLC until December 2004 when the company terminated him. After being terminated, Leyshon's status as a registered salesman was automatically suspended. The Commission found that Leyshon misled the public to believe that he and his company, Leyshon Capital Management, LLC, were registered to sell securities in Arizona.

The Commission found that Leyshon placed the bulk of investor funds into an online trading account where he was the only named title holder and signer on the account. Although Leyshon claimed he pooled his personal funds into the investors' trading account, he used the account funds for his personal expenses.

Leyshon failed to provide the Commission's Securities Division with any detailed accounting of how he kept track of his clients' individual investments. Agreements signed by investors described the investments as "long-term investment vehicles." Investors believed that these investments were registered.

The National Association of Securities Dealers issued a default order against Leyshon in August 2006, barring Leyshon from associating with any NASD member firm in any capacity.

### **Clinton Goff et al.**

A 36-year-old Tennessee man, Clinton Goff and his company, Warren Exploration, LLC, agreed to the entry of a Commission consent order requiring the payment of \$72,000 in restitution for two Arizona

investors and \$50,000 in penalties in connection with a Kentucky oil and gas investment opportunity.

Goff, who is president and chief operations officer for Warren Exploration, LLC, was also the operations manager for Mid America Energy, Inc. Last month, Commissioners approved a default order against Mid America Energy and three other respondents who ignored a February 2006 order and continued to offer and sell the oil and gas investments in Arizona.

For over six months, Mid America advertised the oil and gas investment opportunity in local Arizona newspapers and from a website, [www.mid-americaoilandgas.com](http://www.mid-americaoilandgas.com). Additionally, the opportunities were advertised on XM satellite radio. The ads promised investors thousands of dollars in monthly returns for up to 30 years for a one-time investment.

Goff's company, Warren Exploration, mirrored the characteristics of Mid America Energy in several areas. Both companies claimed to be engaged in the drilling of oil and gas wells. Both offered limited liability partnerships and also posted identical photos on their respective websites. The offering materials were nearly identical, including the same office addresses and telephone numbers.

To access the full text of the orders, click on the following link:

<http://www.azcc.gov/enforcement/enforce-orders.asp>. All public documents related to the cases can be viewed and/or printed through the Commission's e-Docket system. The docket number assigned to the Hawkins case is S-20470A-06-0531, the Leyshon case is S-20490A-06-0764 and the Goff case is docket S-20442A-06-0110.

### **Caution for Investors**

Before investing, people should verify the registration of sellers and investment opportunities and investigate disciplinary histories by contacting the Arizona Corporation Commission's Securities Division at 602-542-4242 or toll free outside the Phoenix metropolitan area and Arizona at 1-866-VERIFY-9. The Division's investor education website also has helpful information at [www.azinvestor.gov](http://www.azinvestor.gov).

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